

JUL 1948
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GENERAL

1. Further discussion of proposed note to USSR--The Department of State has proposed to the UK and France that the military governors representing the western powers in Berlin should ask Marshal Sokolovsky on 2 July whether his recent note means he is in a position to rescind Soviet blockade measures and when this might be done. The Department suggests that if Sokolovsky should promise an immediate lifting of the blockade, the US would reconsider whether the proposed note of protest to the USSR is necessary. The Department believes, however, that if Sokolovsky's reply indicates further delay, the note should be dispatched on 3 July.

The Department has agreed, following discussions with the British and French, to delete from the proposed note any mention of possible reference of the dispute to the Council of Foreign Ministers, but intends to retain the suggestion that the problem could be referred to the UN if the Allied Control Council should be unable to resolve the question in a reasonable time. The British and French have indicated their acceptance of the note in this form.

Clay expects Soviet puppet government for Berlin--US Commanding General Clay in Berlin reports that he expects an early Soviet declaration that the elected city government in Berlin has failed and will be replaced by a puppet government for the city. Clay feels that recent events indicate "a hardening in the Soviet position."

2. Soviet press minimizing Berlin impasse--US Embassy Moscow expresses the view that the mild treatment given the Berlin situation by the Soviet press suggests that the Kremlin expects no real crisis over Berlin. The Embassy believes this mild treatment is "probably of some significance in evaluating just how far the USSR is prepared to go in settling the present Berlin situation to its satisfaction."

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ARMY review(s) completed.

State Department review completed

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NO CHANGE in Class. ☐☒ DECLASSIFIED

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(CIA Comment: CIA agrees with the Embassy's interpretation that the USSR expects no real crisis over Berlin. CIA does not believe that the Kremlin intends to press the Berlin issue to an absolute showdown.)

EUROPE

3. YUGOSLAVIA: Tito's ability to withstand USSR--US Charge Reams in Belgrade reports his belief that Tito seems to be the "master in his own Communist house" and that "Stalin cannot oust him quickly without war." US Ambassador Smith in Moscow, in recommending that the western powers encourage Yugoslavia, considers it "questionable" that Tito can hold out long against Soviet-Communist efforts which must now be made to cleanse the Yugoslav Communist Party.

(CIA Comment: CIA believes that the Kremlin is powerless to "cleanse" the Yugoslav Communist Party in the near future without resort to war. CIA doubts, however, that Tito can resist Soviet pressure indefinitely without support from the west.)

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A C O N N E X

COMMUNIST PROGRAM FOR CIVIL DISTURBANCES IN BERLIN

The Berlin Communists, under Soviet direction, have been expected to create a "revolutionary situation" if popular unrest in the city develops sufficiently during the present critical situation. Their objective presumably would be to furnish the Soviet military forces and police with an excuse (1) to occupy the western sectors of the city on the pretext that the western powers were unable to maintain order; and (2) to insist on confining representatives of the western powers to limited areas for "their own safety" until they could be removed from the city under Soviet "safe conduct." The Communists are now reported to have laid plans for the organization of "action squads" headed by Communist shop foremen and local district leaders. If the food situation in the western sectors becomes desperate, operation of public utilities is to be suspended by strikes, while city-wide demonstrations in the name of "unity" and against the currency situation are to be sponsored by the Communist squads, who would then incite the demonstrators to occupy the city government buildings by force and invite violence on the part of western police or troops. This information could have been "manufactured" by the German anti-Communists for propaganda purposes (as was "Protocol M") or by the Communists as a part of the current Berlin war of nerves. The information, however, apparently comes through reliable channels and is in general consistent with current estimates of Communist intentions.

Current Soviet tactics in Berlin, however, appear to be calculated in large part to force the western powers into local negotiations on the Berlin situation, in the expectation that such negotiations could be broadened to include Soviet demands on overall problems. The Communist "action" program probably has been formulated, as reported, but presumably would be put into effect only on a signal from Soviet headquarters and could be discarded at any time. Minor disturbances, within the framework of the program, may be authorized as an additional threat to the western position in Berlin. The USSR, however, will probably not set in motion the full program until the western powers have refused to negotiate on Soviet terms and then only if the logistic position of the western powers in Berlin has further deteriorated.

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